

Pre-Paid Phone Cards: What Consumers Should Know

FCC Consumer Facts

Background

A pre-paid phone card is a card you purchase to make long distance phone calls. Many people use a pre-paid phone card because of the card's convenience - it can be used anywhere and, since you pay in advance, there is no bill. Pre-paid phone cards are popular among travelers, students, people who frequently call overseas, and those who haven't selected a long-distance service. In addition, pre-paid phone cards are sold in convenient places, such as newsstands, post offices, and stores.

International Calls

Rates for international calls using pre-paid phone cards can vary dramatically, based on the country that you call or the way that you make the call. Pre-paid phone cards may offer rates that are much lower than a telephone company's basic international rates.

How Do I Use a Pre-paid Phone Card?

A toll-free access phone number and a personal identification number (PIN) are usually printed on each phone card. To make a phone call, you dial the access number and then enter the PIN.

An automated voice will ask you to enter the phone number you are trying to call, and it will tell you how much time you have left on your card. It might also give you other information/options.

Tracking Time

Phone card companies keep track of how much of a card's calling time is used by the card's PIN number. You can add time to some pre-paid phone cards, and the added cost can usually be billed to a credit card. If you cannot add time to your card, you will need to buy a new one once all the time has been used. Also, pre-paid phone cards often have expiration dates. Make sure to keep track of the date your card expires so you don't lose unused minutes.

Who Makes Your Phone Card Work?

- **Carriers** are responsible for the telephone lines that carry calls.
- **Resellers** buy telephone minutes from the carriers.
- **Issuers** set the card rates and provide toll-free customer service and access numbers.
- **Distributors** sell the cards to the retailers.
- **Retailers** sell the cards to consumers (though it is important to remember that a store may not have control over the quality of the card or the service it provides).

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Problems Associated with Pre-paid Phone Cards

As pre-paid phone cards are increasing in popularity, some common complaints are becoming evident.

They are:

- Access numbers and/or PINs that don't work;
- Service or access numbers that are always busy;
- Card issuers that go out of business, leaving people with useless cards;
- Rates that are higher than advertised, or hidden charges;
- Cards that charge you even when your call does not go through;
- Poor quality connections; and
- Cards that expire without the purchaser's knowledge.

How Can I Avoid the Problems Associated with Pre-paid Phone Cards?

Make sure you understand the rates for your particular phone card. Also check the expiration date, look for a toll-free customer service number provided with or on the card, and make sure you understand the instructions on how to use the card. You may also want to ask your friends and family to recommend cards they have used and liked.

What Should I Do if My Pre-paid Phone Card Doesn't Work?

First, try calling the customer service number provided with the card. If that doesn't work, call or write your local Consumer Affairs Department or state Attorney General. (These phone numbers are often found in the blue pages of your telephone book.) You can also file a complaint or research the company through your local Better Business Bureau, or contact the Federal Trade Commission (FTC). To contact the FTC, call 1-877-FTC-HELP (1-877-382-4357).

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